

NAME: ONOCHIE EMMANUELLA ONYERAKTUKKUN  
 MATRIC NO: 17/ONS021052. (1)

QUESTION 1

a) NUASA BANK

Statement of Profit or loss and other comprehensive  
Income for the year ended 31st Dec 2019.

#	#
Interest Income	185,003,000
Interest Expenses	(58,000,000)
Net Interest Income	127,003,000
Loan impairment charges	(2,880,000)
fee & Commission income	124,123,000
fee & commission Expense	46,651,900
Net gains on financial instrument	(1,800,000)
Other income	168,974,900
Net impairment charges	7,690,000
Personnel Expenses	3,980,000
General & Admin Expenses	180,644,900
Operating lease expense,	(150,000)
Depreciation & Amortization	(23,700,000)
Other operating Expenses	(22,500,000)
Profit before tax	(807,000)
Income tax Expenses	(12,115,000)
Profit for the year	(27,273,000)
	94,079,900
	(17,000,000)
	77,079,900

Statement of other Comprehensive Income for the year ended 31st Dec, 2019. (2)

Profit for the year	77,099,900
Other Comprehensive Income to be re-classified to P/L in subsequent yrs;	
Actuarial gain	655,769
Income tax (25%)	<u>(163,942)</u>
	491,827
Foreign Currency translation differences for foreign operations	1,039,643
Income tax (25%)	<u>(259,911)</u>
	779,732
Net charge in Fair value available for sale financial Assets	4,080,429
Income Tax (25%)	<u>(1,020,107)</u>
	3,060,322
Total Comprehensive Income for the year	<u>81,431,781</u>

QUESTION 2

NUASA INSURANCE PLC

(9.) Statement of Financial Position as at 31st Dec 2019

<u>Assets</u>	#
Cash and cash equivalents	6,437,403
Financial Assets	57,903,833
Trade Receivable	123,848
Reinsurance Assets	2,479,069
Deferred Acquisition cost	264,842
Other receivables and Prepayments	<del>282,805</del> 282,805

	(3)	
Deferred Tax Assets		17,07,077
Investment in subsidiaries		2,13,08,690
Investment in property		1,11,51,000
Goodwill and other intangible Assets		-1,12,01,871
Property and Equipment		5,11,11,828
Statutory Deposit		5,39,000
		<hr/>
		79,385,266
		<hr/>

### Liabilities

Finance lease obligation	49,854	
Borrowing	1,13,41,840	
Derivative Liabilities	31,72,74	
Insurance contract liabilities	55,37,9,777	
Investment contract liabilities	8,29,5,046	
Current Tax Payable	51,8,443	
Deferred Tax Liability	26,3,422	
Trade Payables	1,54,7,548	
Other payables & accounts	2,43,2,087	
	<hr/>	69,74,0,491

### Equity

Issued share Capital	3,46,5,1102	
Share Premium	2,18,24,389	
Reservation Reserves	1,22,1,707	
Available for sale reserves	(2,72,3,536)	
Exchange Gains reserves	14,8,521	
Contingency reserve	3,48,2,076	
Retained Earnings	1,02,6,1516	
	<hr/>	9,44,4,775
		<hr/>
		79,385,266
		<hr/>

# NUMBER 2B

## NUASA Insurance Plc

### Statement of Profit or Loss for the year ended

Gross Premium written	82,447,376
Reinsurance Expenses	(3,662,162)
Net premium income	78,785,214
Commission income:-	744,069
Insurance contract	1,355,846
Pension and other contract	80,887,129
Net underwriting income	80,377,249
Claims Expenses:-	713,045,452
Gross claim Expenses	(2,1377,750)
claim Expenses recovered for reinsurers.	10,667,702
Net claim Expenses	41,415,428
Underwriting Expenses	26,471,701
Underwriting profit	5,717,056
Investment income	7,630,227
Net realized gains	(88,000)
Net fair value losses	567,965
Other operating income	3,039,353
Personnel expenses	3,540,411
Other operating Expenses	87,121
Finance cost	

NAME:- ONOCHIE EMMANUELLA ONTEKACHUKKI

MATRIC NO:- 17/SMS02/052

COURSE:- INTERMEDIATE FINANCIAL ACCOUNTING

COURSE CODE:- ACC 302

DATE:- 5TH JUNE, 2020. (7)

### QUESTION THREE.

9. (i) Current tax:- A tax liability to be recognized where an entity has unpaid current tax whether arising from the current period or prior period. If an entity has ~~paid~~ <sup>over</sup> paid its tax liability then it should recognize a tax asset for the amount recoverable. While in

Deferred Tax:- A tax liability of an entity is based on both the accounting treatment for transactions and on a number of specific requirements set out in local tax legislation. As a result it may not be possible to calculate the tax charge for a reporting period by reference to an entity's accounting profit or loss reported for that period.

Therefore;

Current tax can be seen as the amount of income tax payable or recovered by an entity or company due to its taxable profit or loss for the accounting period.

While

Deferred tax is the amount rather than the tax imposed by the government - it is tax payable or recoverable in the future accounting periods in relation to transactions that took place.

↓ Originating Time difference is the type of timing difference that occurs for the first time in a situation while reversing Time difference is the type of timing difference that reverse/change the originating timing differences from previous accounting periods (years). ⑧

JATEE LTD

Debtore Receivable		Debtore Interest	
Profit or loss 17,300	Bank 16,625 Withholding Tax 875	Bank 17,860 Withholding Tax 940	Profit or loss 18,800
<u>17,300</u>	<u>17,300</u>	<u>18,800</u>	<u>18,800</u>

Withholding Tax		Bank	
Debtore Recv 875	Debtore int 940	Debtore Recv 16,625	Debtore int 17,860
Bank 65			Current tax 35,000
<u>940</u>	<u>940</u>		<u>35,000</u>

## Current tax

Brnt	35,000	Bal 1/1	65,500
Bal 1/1	65,000	P or L	34,500
<hr/>		<hr/>	
<u>100,000</u>		<u>100,000</u>	

①

## Deferred Tax

Bal 1/1	16,760	Bal 1/1	15,800
		P or L	960
<hr/>		<hr/>	
<u>16,760</u>		<u>16,760</u>	

## Statement of Profit or Loss

Net profit  
 Interest Income  
 Interest Brd  
 Capital allowance  
 Depreciation  
 Timing Difference.

AE
470,500
17,500
(18,800)
<hr/>
469,200
<hr/>
38,700
<hr/>
(35,500)
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<u>3200</u>

Deferred tax  $30\% \times 3200$   
 $= 960 //$

QUESTION 13.

(5)

NUASA BANK

Statement of Financial position of NUSA Bank for the year ended 31st December, 2019.

Assets	₦	₦
Cash and Bank Balances	455,296,116	
Derivative Financial Assets	2,831,078	
Available for sale Assets	453,089,625	
Assets held to maturity	2,007,253	
Assets pledged as collateral	58,961,722	
Restricted deposits and other Assets	433,528,669	
Investment in subsidiaries	46,207,004	
Property And Equipment	84,979,798	
Intangible Assets	4,501,296	
Financial Assets held for trading	16,652,356	
Assets classified as held for sale	850,820	
<b>TOTAL ASSETS</b>		<b>1</b>
<b>LIABILITIES</b>		
Current Income Tax liabilities	24,009,770	
Debt Securities Issued	92,131,923	
Financial liabilities held for trading	2,647,469	
Loans and advances to banks	43,480	
Loans and advances to customers	1,265,971,688	
Derivative Financial liabilities	2,606,386	
Other liabilities	203,019,404	
Other borrowed funds	210,671,384	
Deposits from customers	1,697,560,947	
Deposits from Banks	42,360	





# NUMBER 4.

a) Night Fury Nrg Ltd vs Light Fury Nrg Ltd

a) Computation and Interpretation of Accounting Ratios

↓ Dividend Pay out Ratio

$$= \frac{\text{DPS}}{\text{EPS}} \times 100$$

For Night Fury

$$\begin{aligned} \text{DPS} &= \frac{60,550,000}{250,000,000} \\ &= 0.2422 \end{aligned}$$

For Light Fury

$$\begin{aligned} \text{DPS} &= \frac{56,250,000}{220,000,000} \\ &= 0.2557 \end{aligned}$$

$$\begin{aligned} \text{EPS} &= \frac{150,000,000 - 32,000,000}{250,000,000} \\ &= \frac{118,000,000}{250,000,000} \\ &= 0.472 \end{aligned}$$

$$\begin{aligned} \text{EPS} &= \frac{138,250,000 - 29,800,000}{220,000,000} \\ &= \frac{108,450,000}{220,000,000} \\ &= 0.493 \end{aligned}$$

$$\begin{aligned} \therefore \text{DPR} &= \frac{0.2422}{0.472} \times 100 \\ &= 51.37\% \end{aligned}$$

$$\begin{aligned} \text{DPR} &= \frac{0.2557}{0.493} \times 100 \\ &= 51.9\% \end{aligned}$$

ii) ~~Dividend~~ Return on Equity Yield

$$= \frac{\text{EPS}}{\text{MPS}} \times 100$$

For Night Fury

$$= \frac{0.472}{8.25} \times 100$$
$$= 14.5\%$$

For Light Fury

$$= \frac{0.493}{2.55} \times 100$$
$$= 19.3\%$$

~~iii. Gearing Ratio =  $\frac{\text{Debt}}{\text{Equity}}$~~

~~For Night Fury~~

$$\text{= } \frac{0.472}{8.25} \times 100$$
$$\text{= } 14.5\%$$

~~For Light Fury~~

$$\text{= } \frac{0.493}{2.55} \times 100$$
$$\text{= } 19.3\%$$

iv. Gearing Ratio

For Night Fury

$$= \frac{26,009,000 + 65,670,000}{390,275,500}$$
$$= \frac{91,679,000}{390,275,500}$$
$$= 0.23$$

For Light Fury

$$= \frac{27,250,000 + 30,650,000}{327,250,000}$$
$$= \frac{57,900,000}{327,250,000}$$
$$= 0.18$$

Both companies are lowly geared meaning that they have more Equity Capital than debts to be paid. However fury is less geared.

$$4.) \text{ Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

$$\text{For Night Ferry} \\ = \frac{39,400,000 - 45,500,000}{65,670,000}$$

$$= 5.3129$$

$$\approx 5.31 //$$

$$\text{For Light Ferry} \\ = \frac{45,400,000 - 50,000,000}{30,650,000}$$

$$= 0.1500$$

$$\approx 0.1 //$$

v.) ROCE

$$= \frac{\text{Profit (Return)}}{\text{Capital Employed}}$$

$$\text{For Night Ferry} \\ = \frac{150,000,000}{370,275,000}$$

$$= 0.3845$$

$$\approx 0.38 //$$

$$\text{For Light Ferry} \\ = \frac{138,250,000}{327,250,000}$$

$$= 0.4224$$

$$\approx 0.42 //$$